2/22/83 R7105-5.47#

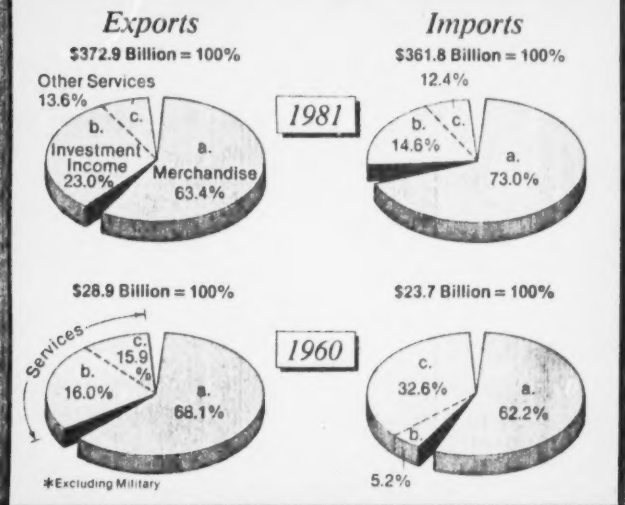
The Conference Board

Trends in United States Foreign Trade

Economic Road Maps
Nos. 1942—1943 January, 1983

World trade, fueled by expanding economies and general prosperity and helped along by substantial reductions in world tariffs, has grown at exceedingly high rates during the past three decades. But this growth has come to a sudden halt in the face of the worst global recession in decades, coupled with record unemployment in most of the developed world. For the first time in over 20 years, the dollar volume of world exports declined in 1981 by 2%, and will evidently fall substantially more in 1982.

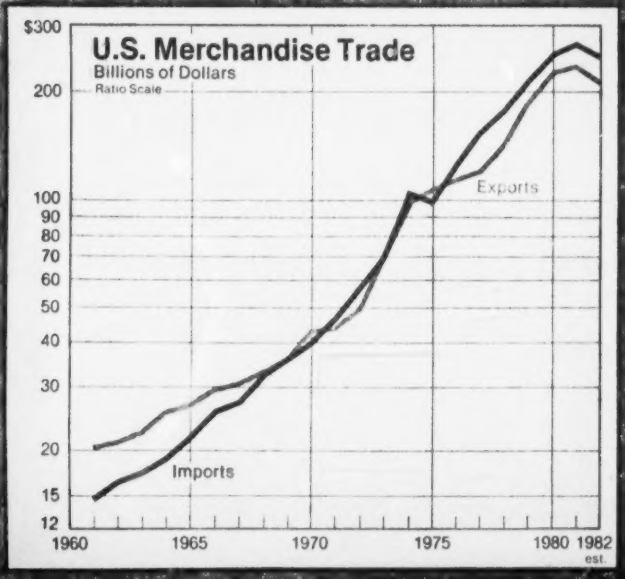
U.S. Trade in Goods and Services*



U.S. Share of World Merchandise Trade

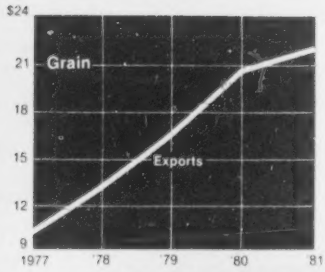
Compared with the situation in some industrialized countries, the importance of exports to the U.S. economy is small. However, that importance has risen substantially. Only ten years ago, 6% of total U.S. production of goods and services—the GNP—went to export markets; since then the figure has more than doubled to 12½% in 1981. At the same time, however, the U.S. role in world trade shrank: Of some $1.8 trillion in worldwide exports in 1981, the United States accounted for 12%, compared with

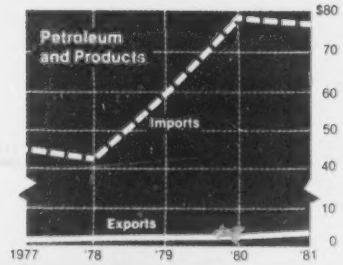
U.S. Merchandise Trade

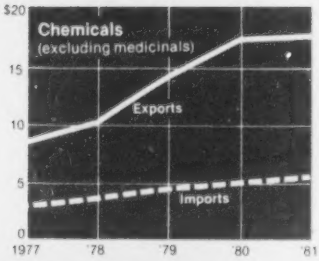


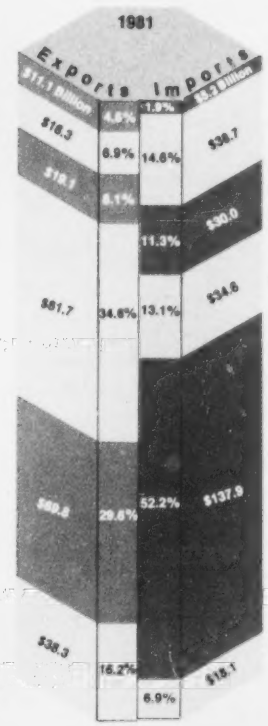
Importance of Merchandise Trade to the U.S. Economy

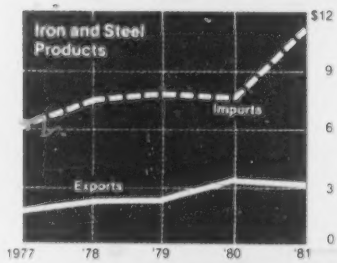
U.S. Exports and Imports, 1981
Major Product Groups

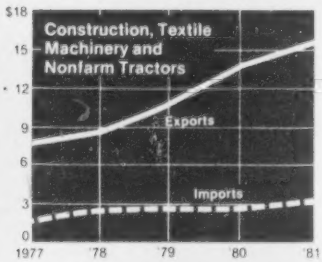


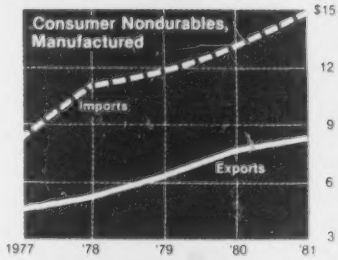


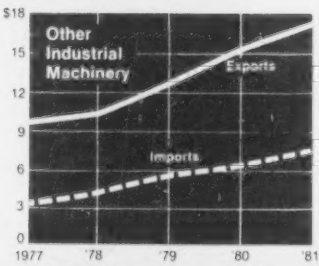


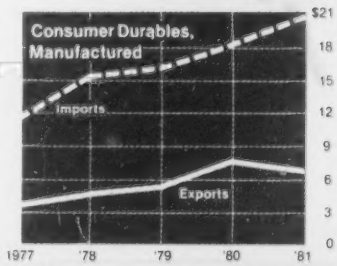




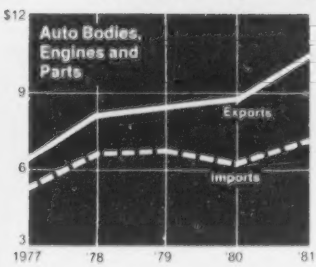


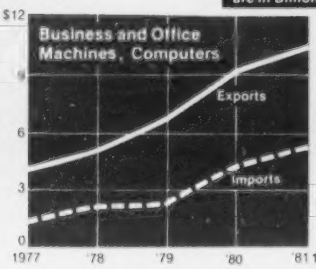


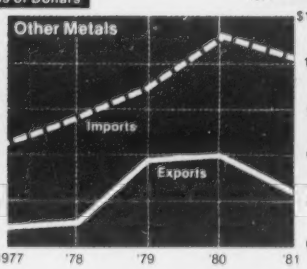


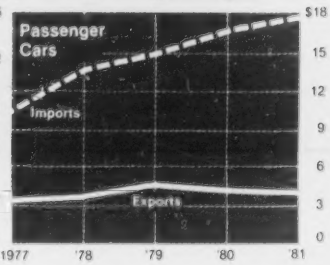


All Exports and Imports are in Billions of Dollars

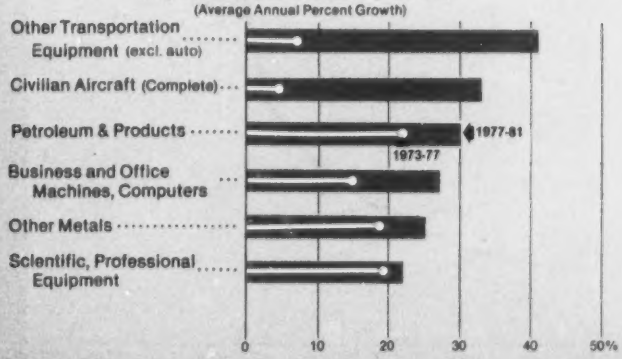




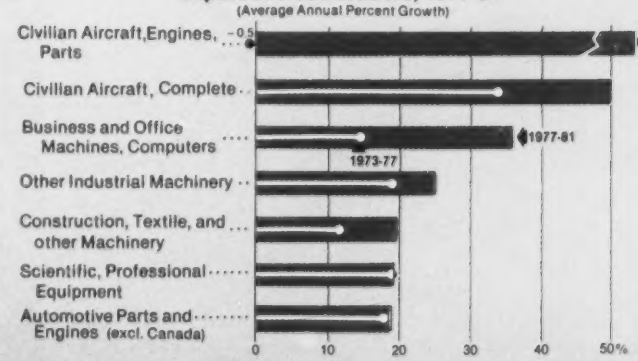


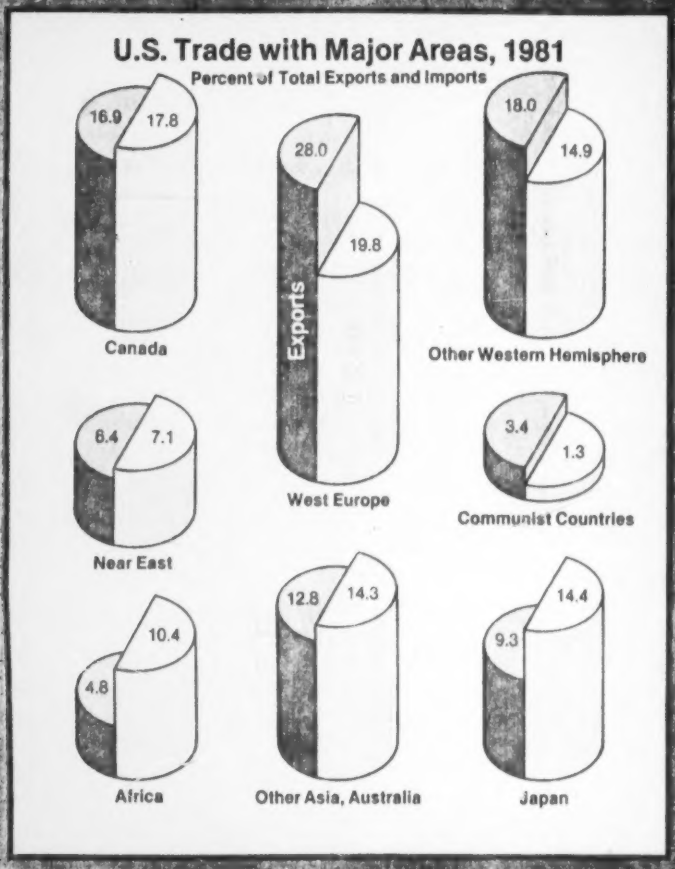


Export Growth Leaders, 1977-81
(Average Annual Percent Growth)



Import Growth Leaders, 1977-81
(Average Annual Percent Growth)





18% in 1960. Nevertheless, the United States remains the largest trading nation.

U.S. merchandise exports exceeded imports throughout the postwar era until 1970; since then, imports have outrun exports in most years. Merchandise exports were $236 billion in 1981, up 5% over the preceding year—but will decline about 9% in 1982. Imports, on the other hand, continued strong. Their share in U.S. domestic demand for goods was at record levels during the past two years. This was mainly due to attractive import prices resulting from the appreciation of the dollar. The strength of the dollar also made it harder for Americans to export at competitive prices, and raised other countries' bills for oil and other dollar-denominated commodities, leaving them with fewer dollars to spend on imports from the United States.

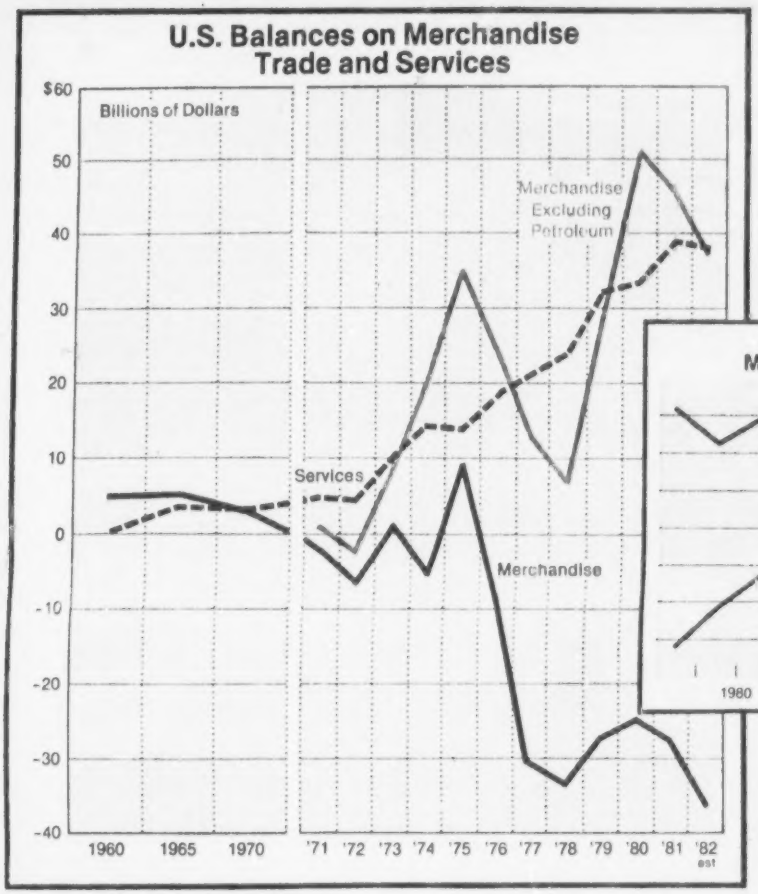
While merchandise accounts for the larger part of total U.S. exports, it is the exports service sector that is expanding faster. Service exports increased at an annual rate of 16% to $137 billion in 1981, while service imports also rose 16% to $98 billion. The surplus of $39 billion on these transactions more than offset the deficit of $28 billion on merchandise transactions. But the deepening merchandise trade deficit is shifting the current account balance from a surplus of $4.5 billion in 1981 to a deficit estimated at $4 to $5 billion in 1982.

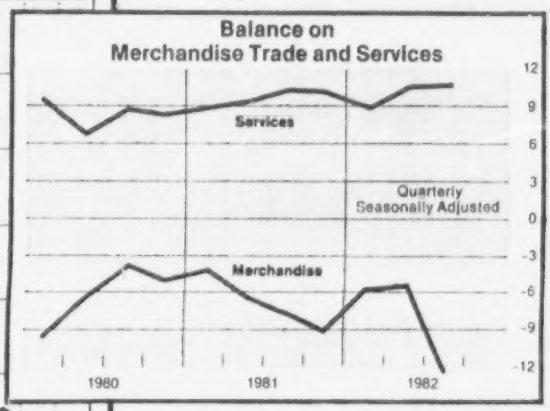
U.S. Exports by Major Markets and Product Groups, 1981

Percent of Column Totals

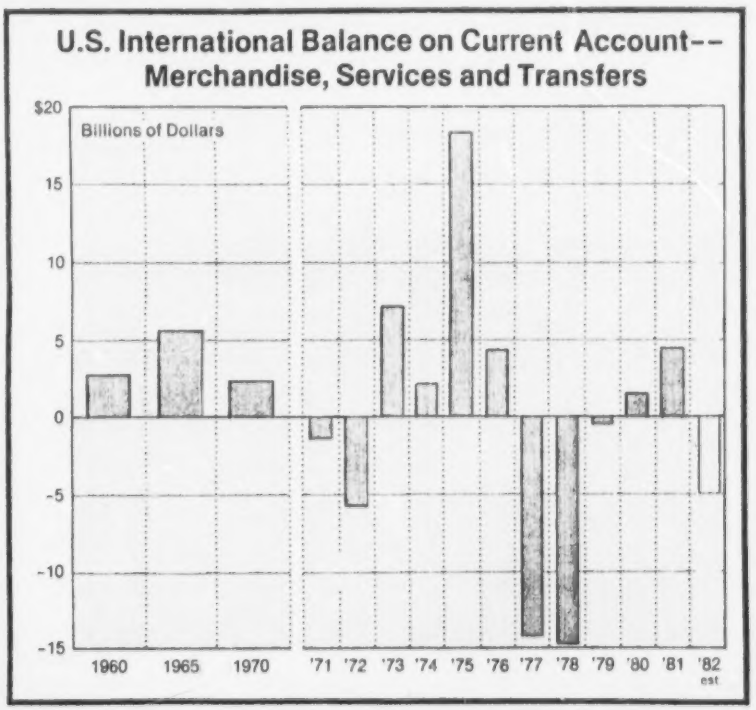
	Food	Beverages and Tobacco	Crude Materials Exc. Fuels	Fuels	Chemicals	Machinery	Motor Vehicles	Other Transportation Equipment	Other Manufactured Products	Metals, Textiles	Oil and Fats	All Other	Agricultural	Nonagricultural	Total Exports
Canada	5.4	1.7	8.7	18.5	11.7	17.8	52.3	6.6	17.1	21.7	1.5	21.9	**4.6**	**19.6**	**16.9**
Other Western Hemisphere	17.1	6.9	8.0	8.1	22.8	20.7	20.5	13.9	19.4	25.5	28.9	10.1	**14.7**	**18.8**	**18.0**
West Europe	21.5	30.8	38.9	10.3	29.5	27.1	8.4	31.4	24.6	20.8	18.5	31.4	**26.0**	**27.8**	**28.0**
Africa	7.9	7.6	1.5	2.1	3.0	5.5	3.3	5.4	3.4	4.7	18.0	1.3	**6.5**	**4.4**	**4.7**
Near East	4.5	16.4	1.2	1.5	2.4	7.7	8.3	8.8	6.1	7.7	2.9	1.4	**3.6**	**7.0**	**6.4**
Japan	15.6	13.4	21.0	20.4	11.1	4.6	1.1	8.2	8.2	6.8	5.2	1.3	**15.1**	**8.1**	**9.3**
Other Asia, Australia	11.3	17.2	14.1	8.2	15.9	15.8	4.4	15.0	11.1	10.3	20.6	3.7	**13.3**	**12.8**	**12.8**
Communist Countries	14.2	1.0	6.4	1.1	3.6	0.8	0.8	0.2	0.9	2.5	5.3	0.2	**11.9**	**1.5**	**3.4**
Unidentified	2.5	0	1.1	0	0	0	0.9	10.5	0.2	0	0	25.7	**2.3**	**0**	**0.5**
Total %	100	100	100	100	100	100	100	100	100	100	100	100	**100**	**100**	**100**
Total: $ Billions	**30.3**	**2.9**	**21.0**	**10.3**	**21.2**	**62.9**	**16.2**	**16.3**	**20.6**	**16.7**	**1.8**	**8.4**	**43.3**	**185.6**	**233.7***

* Includes foreign merchandise re-exported



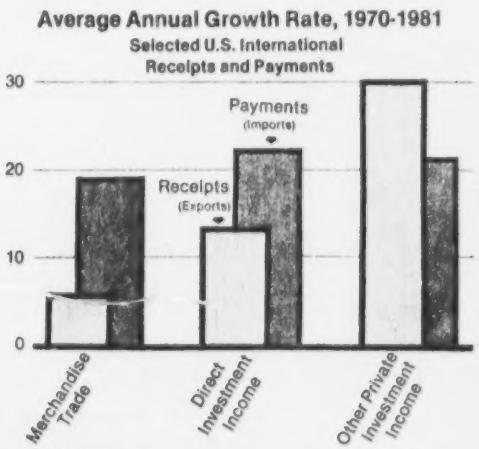


Service receipts exports fall into two broad categories. One is miscellaneous transactions such as travel, passenger fares, transportation, royalties and fees, and military services. The other consists of income on investments—direct investments in business ownership aboad, other private investments in securities and loans, and government investments in securities. Receipts of income on "other private investments" totaled over $50 billion in 1981, compared with $2.7 billion in 1970. The average annual rate of increase was 30%, and these receipts accounted for almost 60% of total investment receipts in 1981, compared with 23% in 1970.



Eva Culen

Sources: U.S. Department of Commerce; International Monetary Fund; The Conference Board.



ECONOMIC ROAD MAPS

Eva Culen, Editor Chuck N. Tow, Chief Chartist

pared in The Business Conditions Analysis Department—Lora S. Collins, Director
es for Quantities of this chart will be supplied on request to Information Service.

Published by
THE CONFERENCE BOARD, INC.
845 Third Avenue, New York, N.Y. 10022 Avenue Louise, 207 Bte 5 B-1050 Brussels, Belgium
THE CONFERENCE BOARD OF CANADA
25 McArthur Road, Ottawa, Ontario K1L-6R3, Canada